



## ANNUAL REPORT

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### RURAL VOLUNTEER FIRE DEPARTMENT ASSISTANCE PROGRAM (HB 2604)

#### I. OVERVIEW

The Rural Volunteer Fire Department Assistance Program (House Bill 2604) was established in 2001 by the 77th Texas Legislature. The program provides \$15 million annually for training and equipping volunteer fire departments throughout Texas. Funds are derived from an assessment made on certain property and casualty insurers. The program is administered by the Texas Forest Service.

#### II. ACTIVITY

In March of 2002, the Texas Forest Service initiated the development of comprehensive Implementation Guidelines for the program. These were developed in consultation with statewide advisory committees composed of firefighters, community leaders, educators, representatives from the State Firemen's and Fire Marshals' Association, Texas Engineering Extension Service, and the Texas Commission on Fire Protection.

The Program is designed to provide cost-share grants to volunteer fire departments in the following categories:

Fire Trucks	90% of the actual cost not to exceed certain maximums.
Fire Truck Chassis / Slip On Modules	90% of the actual cost not to exceed certain maximums.
Fire Equipment / Rescue Equipment	75% of the actual cost not to exceed certain maximums.
Firefighter Protective Clothing	75% of the actual costs not to exceed certain maximums.
Firefighter Training Tuition	100% of the costs of approved certified courses, subject to certain maximums.
Dry Hydrants	100% of the costs of components, subject to certain maximums.

### III. STATUS

Funds under this program first became available in September of 2002.

The Texas Forest Service began receiving applications on August 8, 2002. A small accounting and administrative staff was hired in September and based in College Station, Texas.

The Texas Forest Service conducted Funding Meetings on September 16 and October 16, 2002, to begin approvals and disbursements under the program. The following requests for assistance were funded:

<u>Program Element</u>	<u>Number of Grants</u>	<u>Cost-Share Grant</u> <u>\$ Value</u>
Fire Trucks	99	\$5,855,873.94
Truck Chassis/Slip-On Modules	39	775,699.60
Fire Equipment	100	445,363.18
Rescue Equipment	38	316,486.82
Firefighter Protective Clothing	95	444,948.00
Firefighter Training Tuition	52	87,530.02
Dry Hydrants	8	<u>33,600.00</u>
TOTAL	431	\$7,959,501.56

### IV. LEGISLATIVE NEED

To date, TFS staff has identified one opportunity to improve the effectiveness of the program, which will require legislative action. The enabling legislation clearly created the Volunteer Fire Department Assistance Fund for the sole purpose of supporting the Volunteer Fire Department Assistance Program. However, the current General Appropriations Act does not provide the requisite authority to spend carry forward balances.

Funds are committed at the time of the award and can be carried forward under that commitment. However once the fiscal year closes any commitments that are released are lost. This would apply to any awards that cross a fiscal year where the department either

cancels their award or where their actual cost and grant amount is less than original amount committed. This has particular impact on vehicles and apparatus with longer order and delivery times.

Texas Forest Service has included a proposed rider to address this issue in its Legislative Appropriation Request for the FY2004-2005 biennium.

## V. EFFECTIVENESS

The Rural Volunteer Fire Department Assistance Program is destined to become one of the most significant legislative initiatives of Texas government in the 21<sup>st</sup> Century. In its first 60 days of operation, the program has received over \$35 million dollars in grant requests. This far exceeds the annual appropriation of funds for the program.

In order to stretch state appropriations to the maximum, the Texas Forest Service has implemented a fire department rating system to guide decision makers in approving grants. The agency is very concerned with how this program will impact participants, partner agencies, and the 1,800 communities served by volunteer fire departments, and it is prepared to make mid-course changes in program design as essential to improve the grant approval process.

While the overall effectiveness of the program cannot be fairly assessed until after it has been allowed to operate for several years, there are clearly some early successes in the area of effectiveness:

1. The enabling legislation limits the administrative costs of the program to 7%, thereby guaranteeing that 93% of the income will be used for fire fighting equipment and training.
2. The authors of the enabling legislation worked with the insurance industry and allowed them the latitude necessary to collect the annual \$15 million in the most efficient and effective manner.
3. Based upon previous experience with similar programs, TFS staff has been able to build an efficient and streamlined application and awarding process for volunteer fire departments.
4. The receipt of over 800 requests for over \$35 million in assistance during the first 60 days after the applications were published is a clear indication that the program is addressing an unmet need of the State's volunteer fire departments.

**By all measures, this is a highly effective program.**

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